



General Assembly

January Session, 2011

***Raised Bill No. 6525***

LCO No. 4189

\*04189\_\_\_\_\_CE\_\*

Referred to Committee on Commerce

Introduced by:  
(CE)

***AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY  
LEADERS' JOB GROWTH ROUNDTABLE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 10a-19i of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) As used in subsections (a) to (f), inclusive, of this section:

5 (1) "Green technology" means technology that (A) promotes clean  
6 energy, renewable energy or energy efficiency, (B) reduces greenhouse  
7 gases or carbon emissions, or (C) involves the invention, design and  
8 application of chemical products and processes to eliminate the use  
9 and generation of hazardous substances;

10 (2) "Job relating to green technology" means a job in which green  
11 technology is employed and may include the occupation codes  
12 identified as green jobs by the United States Bureau of Labor Statistics  
13 and those codes identified by the Labor Department and the  
14 Department of Economic and Community Development for such

15 purposes;

16 (3) "Life science" means the study of genes, cells, tissues and  
17 chemical and physical structures of living organisms and biomedical  
18 engineering and the manufacture of medical devices; and

19 (4) "Health information technology" means the creation, execution  
20 or implementation of electronic data systems that record or transmit  
21 medical or health information.

22 Sec. 2. Section 32-41x of the general statutes is repealed and the  
23 following is substituted in lieu thereof (*Effective from passage*):

24 (a) There is established an account to be known as the "preseed  
25 financing account" which shall be a separate, nonlapsing account  
26 within the General Fund. The account shall contain any moneys  
27 required by law to be deposited in the account. Moneys in the account  
28 shall be expended by Connecticut Innovations, Incorporated, for the  
29 purposes of providing preseed financing pursuant to the program  
30 established in subsection (b) of this section.

31 (b) Connecticut Innovations, Incorporated, shall establish a program  
32 to provide preseed financing for Connecticut businesses, which shall  
33 include, but not be limited to, financial assistance for the development  
34 of proof of concepts and support services. Financial assistance shall not  
35 exceed one hundred fifty thousand dollars per eligible business. An  
36 eligible business shall (1) be principally located in Connecticut, (2)  
37 have not less than seventy-five per cent of its employees working in  
38 Connecticut, and (3) demonstrate private investment dollars of not less  
39 than fifty cents for every dollar of financial assistance sought from the  
40 program established pursuant to this section. For the purposes of this  
41 subsection, "private investment dollars" shall include funds from a  
42 public institution of higher education, except those funds derived from  
43 state appropriations or student tuition and fees, that are used to assist  
44 in the commercialization of technology owned by a public university.

45 (c) The corporation may enter into an agreement, pursuant to  
46 chapter 55a, with a nonprofit corporation providing services and  
47 resources to entrepreneurs and businesses to operate such program.

48 Sec. 3. Section 38a-88a of the general statutes is repealed and the  
49 following is substituted in lieu thereof (*Effective from passage*):

50 (a) As used in this section:

51 (1) "Facility" means an insurance business facility;

52 (2) "Insurance business" means a business with a North American  
53 Industry Classification System code of 524113 to 524298, inclusive, that  
54 is engaged in the business of insuring risks or of providing services  
55 necessary to the business of insuring risks;

56 (3) "New job" means a job that did not exist in the business of a  
57 subject insurance business in this state prior to the subject insurance  
58 business's application to the commissioner for an eligibility certificate  
59 under this section for a new facility and that is filled by a new  
60 employee, but does not include a job created when an employee is  
61 shifted from an existing location of the subject insurance business in  
62 this state to a new facility;

63 (4) "New employee" means a person who resides in Connecticut and  
64 is hired by a subject insurance business to fill a position for a new job  
65 or a person shifted from an existing location of the subject insurance  
66 business outside this state to a new facility in this state, provided (A)  
67 in no case shall the total number of new employees allowed for  
68 purposes of this credit exceed the total increase in the taxpayer's  
69 employment in this state, which increase shall be the difference  
70 between (i) the number of employees employed by the subject  
71 insurance business in this state at the time of application for an  
72 eligibility certificate to the commissioner plus the number of new  
73 employees who would be eligible for inclusion under the credit  
74 allowed under this section without regard to this calculation, and (ii)

75 the highest number of employees employed by the subject insurance  
76 business in this state in the year preceding the subject insurance  
77 business's application for an eligibility certificate to the commissioner,  
78 and (B) a person shall be deemed to be a "new employee" only if such  
79 person's duties in connection with the operation of the facility are on a  
80 regular, full-time, or equivalent thereof, and permanent basis;

81 (5) "New facility" means a facility which (A) is acquired by, leased  
82 to, or constructed by, a subject insurance business on or after the date  
83 of the subject insurance business's application to the commissioner for  
84 an eligibility certificate under this section, unless, upon application of  
85 the subject insurance business and upon good and sufficient cause  
86 shown, the commissioner waives the requirement that such activity  
87 take place after the application, and (B) was not in service or use  
88 during the one-year period immediately prior to the date of the subject  
89 insurance business's application to said commissioner for an eligibility  
90 certificate under this section, unless upon application of the subject  
91 insurance business and upon good and sufficient cause shown, the  
92 commissioner consents to waiving the one-year period;

93 (6) "Related person" means (A) a corporation, limited liability  
94 company, partnership, association or trust controlled by the taxpayer  
95 or subject insurance business, as the case may be, (B) an individual,  
96 corporation, limited liability company, partnership, association or trust  
97 that is in control of the taxpayer or subject insurance business, as the  
98 case may be, (C) a corporation, limited liability company, partnership,  
99 association or trust controlled by an individual, corporation, limited  
100 liability company, partnership, association or trust that is in control of  
101 the taxpayer or subject insurance business, as the case may be, or (D) a  
102 member of the same controlled group as the taxpayer or subject  
103 insurance business, as the case may be. For purposes of this section,  
104 "control", with respect to a corporation, means ownership, directly or  
105 indirectly, of stock possessing fifty per cent or more of the total  
106 combined voting power of all classes of the stock of such corporation  
107 entitled to vote. "Control", with respect to a trust, means ownership,

108 directly or indirectly, of fifty per cent or more of the beneficial interest  
109 in the principal or income of such trust. The ownership of stock in a  
110 corporation, of a capital or profits interest in a partnership or  
111 association or of a beneficial interest in a trust shall be determined in  
112 accordance with the rules for constructive ownership of stock  
113 provided in Section 267(c) of the Internal Revenue Code of 1986, or any  
114 subsequent corresponding internal revenue code of the United States,  
115 as from time to time amended, other than paragraph (3) of Section  
116 267(c) of said internal revenue code;

117 (7) "Moneys of the taxpayer" means all amounts invested in a fund,  
118 directly or indirectly, on behalf of a taxpayer, including but not limited  
119 to (A) direct investments made by the taxpayer, and (B) loans made to  
120 the fund for the benefit of the taxpayer which loans are guaranteed by  
121 the taxpayer, provided no amounts represented by any such loan shall  
122 be used for the purpose of obtaining any tax credit by any person  
123 making such loan against any tax levied by this state;

124 (8) "Income year" means (A) with respect to corporations subject to  
125 taxation under chapter 208, the income year as determined under said  
126 chapter, (B) with respect to insurance companies, hospital and medical  
127 services corporations subject to taxation under chapter 207, the income  
128 year as determined under said chapter, and (C) with respect to  
129 taxpayers subject to taxation under chapter 229, the taxable year  
130 determined under chapter 229;

131 (9) "Taxpayer" means any person as defined in section 12-1, whether  
132 or not subject to any taxes levied by this state; and

133 (10) "Commissioner" means the Commissioner of Economic and  
134 Community Development.

135 (b) (1) On or before July 1, 2000, the commissioner shall register  
136 managers of funds created for the purpose of investing in insurance  
137 businesses. Any manager registered under this subsection shall have  
138 its primary place of business in this state. Each applicant shall submit

139 an application under oath to the commissioner to be registered and  
140 shall furnish evidence satisfactory to the commissioner of its financial  
141 responsibility, integrity, and professional competence to manage  
142 investments. Failure to maintain adequate fiduciary standards shall  
143 constitute cause for the commissioner to revoke, after hearing, any  
144 registration granted under this section. The fund manager shall make a  
145 report on or before the first day of March in each year, under oath, to  
146 the Commissioner of Revenue Services specifying the name, address  
147 and Social Security number or employer identification number of each  
148 investor, the year during which each investment was made by each  
149 investor, the amount of each investment and a description of the fund's  
150 investment objectives and relative performance.

151 (2) There shall be allowed as a credit against the tax imposed under  
152 chapter 207, 208 or 229 or section 38a-743 an amount equal to the  
153 following percentage of the moneys of the taxpayer invested through a  
154 fund manager in an insurance business with respect to the following  
155 income years of the taxpayer: (A) With respect to the income year in  
156 which the investment in the subject insurance business was made and  
157 the two next succeeding income years, zero per cent; (B) with respect  
158 to the third full income year succeeding the year in which the  
159 investment in the subject insurance business was made and the three  
160 next succeeding income years, ten per cent; (C) with respect to the  
161 seventh full income year succeeding the year in which the investment  
162 in the subject insurance business was made and the two next  
163 succeeding income years, twenty per cent. The sum of all tax credit  
164 granted pursuant to the provisions of this subsection shall not exceed  
165 fifteen million dollars with respect to investments made by a fund or  
166 funds in any single insurance business, and with respect to all  
167 investments made by a fund shall not exceed the total amount  
168 originally invested in such fund. Any fund manager may apply to the  
169 Commissioner of Economic and Community Development for a credit  
170 that exceeds the limitations established by this subdivision. The  
171 commissioner shall evaluate the benefits of such application and make  
172 recommendations to the General Assembly if he determines that the

173 proposal would be of economic benefit to the state.

174 (3) The credit allowed by this subsection may be claimed only by a  
175 taxpayer who has invested in an insurance business through a fund  
176 (A) which has a total asset value of not less than thirty million dollars  
177 for the income year for which the initial credit is taken; (B) has not less  
178 than three investors who are not related persons with respect to each  
179 other or to any insurance business in which any investment is made  
180 other than through the fund at the date the investment is made; and  
181 (C) which invests only in insurance businesses that are not related  
182 persons with respect to each other.

183 (4) The credit allowed by this section may be claimed only with  
184 respect to a subject insurance business which (A) occupies the new  
185 facility for which an eligibility certificate has been issued by the  
186 commissioner and with respect to which the certification required  
187 under subdivision (6) of this subsection has been issued as its home  
188 office, and (B) employs not less than twenty-five per cent of its total  
189 work force in new jobs.

190 (5) The credit allowed by this subsection may be claimed only with  
191 respect to an income year for which a certification of continued  
192 eligibility required under subdivision (6) of this subsection has been  
193 issued. If, with respect to any year for which a tax credit is claimed,  
194 any subject insurance business ceases at any time to employ at least  
195 twenty-five per cent of its total work force in new jobs, then, except as  
196 provided in subdivision (6) of this subsection, the entitlement to the  
197 credit allowed by this subsection shall not be allowed for the taxable  
198 year in which such employment ceases, and there shall not be a pro  
199 rata application of the credit to such taxable year; provided, if the  
200 reason for such cessation is the dissolution, liquidation or  
201 reorganization of such insurance business in a bankruptcy or  
202 delinquency proceeding, as defined in section 38a-905, the credit shall  
203 be allowed.

204 (6) The commissioner, upon application, shall issue an eligibility

205 certificate for an insurance business occupying a new facility in this  
206 state and employing new employees, after it has been established, to  
207 his satisfaction, that subject insurance business has complied with the  
208 provisions of this subsection. If the commissioner determines that such  
209 requirements have been met as a result of transactions with a related  
210 person for other than bona fide business purposes, he shall deny such  
211 application. The commissioner shall require the subject insurance  
212 business to submit annually such information as may be necessary to  
213 determine whether the appropriate occupancy and employment  
214 requirements have been met at all times during an income year. If the  
215 commissioner determines that such requirements have been so met, he  
216 shall issue a certification of continued eligibility to that effect to the  
217 subject insurance business on or before the first day of the third month  
218 following the close of the subject insurance business's income year.

219 (7) The commissioner shall, upon request, provide a copy of the  
220 eligibility certificate and the certification required under subdivision  
221 (6) of this subsection to the Commissioner of Revenue Services.

222 (8) (A) If (i) the number of new employees on account of which a  
223 taxpayer claimed the credit allowed by this subsection decreases to less  
224 than twenty-five per cent of its total work force for more than sixty  
225 days during any of the taxable years for which a credit is claimed, (ii)  
226 those employees are not replaced by other employees who have not  
227 been shifted from an existing location of the subject insurance business  
228 in this state, and (iii) the subject insurance business has relocated  
229 operations conducted in the new facility to a location outside this state,  
230 the taxpayer shall be required to recapture a percentage, as determined  
231 under the provisions of subparagraph (B) of this subdivision, of the  
232 credit allowed under this subsection on its tax return and no  
233 subsequent credit shall be allowed. If the credit claimed by the  
234 taxpayer under this subsection is attributable to investments made in  
235 more than one insurance business, the credit recaptured and  
236 disallowed under this subdivision shall be that portion of the credit  
237 attributable to the investment in the insurance business as described in



238 subparagraphs (A)(i) to (A)(iii), inclusive, of this subdivision.

239 (B) If the taxpayer is required under the provisions of subparagraph  
240 (A) of this subdivision to recapture a portion of the credit during (i) the  
241 first year such credit was claimed, then ninety per cent of the credit  
242 allowed shall be recaptured on the tax return required to be filed for  
243 such year, (ii) the second of such years, then sixty-five per cent of the  
244 credit allowed for the entire period of eligibility shall be recaptured on  
245 the tax return required to be filed for such year, (iii) the third of such  
246 years, then fifty per cent of the credit allowed for the entire period of  
247 eligibility shall be recaptured on the tax return required to be filed for  
248 such year, (iv) the fourth of such years, then thirty per cent of the  
249 credit allowed for the entire period of eligibility shall be recaptured on  
250 the tax return required to be filed for such year, (v) the fifth of such  
251 years, then twenty per cent of the credit allowed for the entire period  
252 of eligibility shall be recaptured on the tax return required to be filed  
253 for such year, and (vi) the sixth or subsequent of such years, then ten  
254 per cent of the credit allowed for the entire period of eligibility shall be  
255 recaptured on the tax return required to be filed for such year. Any  
256 credit recaptured pursuant to this subdivision shall not be in excess of  
257 the credit that would be allowed for the applicable investment. The  
258 Commissioner of Revenue Services may recapture such credits from  
259 the taxpayer who has claimed such credits. If the commissioner is  
260 unable to recapture all or part of such credits from such taxpayer, the  
261 commissioner may seek to recapture such credits from any taxpayer  
262 who has assigned such credits to another taxpayer. If the  
263 commissioner is unable to recapture all or part of such credits from  
264 any such taxpayer, the commissioner may recapture such credits from  
265 the fund.

266 (C) The recapture provisions of this subdivision shall not apply and  
267 tax credits may continue to be claimed under this subsection if, for the  
268 entire period that the credit is applicable, such decrease in the  
269 percentage of total work force employed in this state does not result in  
270 an actual decrease in the number of persons employed by the subject

271 insurance business in this state on a regular, full-time, or equivalent  
272 thereof, and permanent basis as compared to the number of new  
273 employees on account of which the taxpayer claimed the credit  
274 allowed by this subsection.

275 (c) (1) As used in this subsection:

276 (A) "Allocation date" means the date an insurance reinvestment  
277 fund receives an investment of eligible capital equaling the amount of  
278 credits against the tax imposed under chapter 207 and section 38a-743  
279 allocated to taxpayers who invest in such insurance reinvestment fund;

280 (B) "Eligible business" means a business that has its principal  
281 business operations in Connecticut, has fewer than two hundred fifty  
282 employees at the time of investment and not more than ten million  
283 dollars in net income in the previous year;

284 (C) "Eligible capital" means an investment of cash by a taxpayer in  
285 an insurance reinvestment fund that fully funds the purchase price of  
286 an equity interest in the insurance reinvestment fund or an eligible  
287 debt instrument issued by an insurance reinvestment fund, at par  
288 value or a premium, that (i) has an original maturity date of at least  
289 five years after the date of issuance, (ii) has a repayment schedule that  
290 is not faster than a level principal amortization over five years, and (iii)  
291 has no interest, distribution or payment features tied to the insurance  
292 reinvestment fund's profitability or the success of the investments;

293 (D) "Green technology business" means an eligible business with not  
294 less than twenty-five per cent of its employment positions being  
295 positions in which green technology is employed or developed and  
296 may include the occupation codes identified as green jobs by the  
297 Department of Economic and Community Development and the Labor  
298 Department for such purposes;

299 (E) "Income year" means the income year as determined in chapter  
300 207 for the taxpayer;

301 (F) "Insurance reinvestment fund" means a Connecticut partnership,  
302 corporation, trust or limited liability company, whether organized on a  
303 profit or not-for-profit basis, that (i) is managed by at least two  
304 principals or persons that have at least four years of experience each in  
305 managing venture capital or private equity funds, with at least fifty  
306 million dollars of such funds from people unaffiliated with the  
307 manager, (ii) has received an equity investment of capital other than  
308 eligible capital equal to no less than five per cent of the total amount of  
309 the eligible capital to be invested in such insurance reinvestment fund,  
310 and (iii) is not, or will not be after the receipt of eligible capital,  
311 controlled by or under common control with, one or more insurance  
312 companies. An investment of eligible capital shall not result in  
313 insurance company control unless such investment exceeds forty  
314 million dollars per taxpayer and results in insurance companies having  
315 the right to vote more than fifty per cent of the equity interests of the  
316 insurance reinvestment fund cash invested in such insurance  
317 reinvestment fund, provided this provision shall not prohibit the  
318 interim control of an insurance reinvestment fund by one or more  
319 insurance companies upon a breach of any payment obligation of the  
320 insurance reinvestment fund or contractual or other agreement by the  
321 insurance reinvestment fund that is designed to ensure compliance  
322 with this section; and

323 (G) "Principal business operations" means at least eighty per cent of  
324 the business organization's employees reside in the state or eighty per  
325 cent of the business payroll is paid to individuals living in this state.

326 (2) A taxpayer that makes an investment of eligible capital shall, in  
327 the year of investment, earn a vested credit against the premium tax  
328 imposed pursuant to chapter 207 and section 38a-743. Such credit shall  
329 be available as follows: (A) Commencing with the tax return due for  
330 the first to third, inclusive, tax years, zero per cent; (B) commencing  
331 with the tax return due for the fourth to seventh, inclusive, tax years,  
332 not more than ten per cent; and (C) commencing with the tax return  
333 due for the eighth to tenth, inclusive, tax years, not more than twenty

334 per cent. The maximum amount of eligible capital for which credits  
335 may be allowed under this subsection shall not result in more than  
336 forty million dollars of tax credits being used in any one year exclusive  
337 of any carried forward credits and no fund shall apply for more than  
338 the total amount of credits available under this section.

339 (3) On or before July 1, 2010, the Commissioner of Economic and  
340 Community Development shall begin to accept applications for  
341 certification as an insurance reinvestment fund and for allocations of  
342 tax credits under this subsection. Applications shall include: (A) The  
343 amount of eligible capital the applicant will raise; (B) a nonrefundable  
344 application fee of seven thousand five hundred dollars; (C) evidence of  
345 satisfaction of the requirements of the definition of "insurance  
346 reinvestment fund" pursuant subparagraph (F) of subdivision (1) of  
347 this subsection; (D) an affidavit by each taxpayer committing an  
348 investment of eligible capital; (E) a business plan detailing (i) the  
349 approximate percentage of eligible capital the applicant will invest in  
350 eligible businesses by the third, fifth, seventh and ninth anniversaries  
351 of its allocation date, (ii) the industry segments listed by the North  
352 American Industrial Classification System code and percentage of  
353 eligible capital in which the applicant will invest, (iii) the number of  
354 jobs that will be created or retained as a result of the applicants  
355 investments once all eligible capital has been invested, (iv) the  
356 percentage of eligible capital to be invested in eligible businesses  
357 primarily engaged in conducting research and development or  
358 manufacturing, processing or assembling technology-based products;  
359 and (v) a revenue impact assessment demonstrating that the  
360 applicant's business plan has a revenue neutral or positive impact on  
361 the state; (F) a commitment to invest at least twenty-five per cent of its  
362 eligible capital in green technology businesses; and (G) a commitment  
363 to invest by the third anniversary of its allocation date, three per cent  
364 of its eligible capital in preseed investments and three per cent of its  
365 eligible capital in seed-stage investments in consultation with  
366 Connecticut Innovations, Incorporated, pursuant to the corporation's  
367 [program] programs for preseed financing established pursuant to

368 section 32-41x and seed-stage financing established pursuant to section  
369 32-41v. The commissioner may require the applicant to obtain a  
370 revenue impact assessment conducted by an independent third party.

371 (4) Applications for tax credits pursuant to this subsection shall be  
372 accepted and approved on a first-come, first-served basis with all  
373 applications received on the same date deemed to be received  
374 simultaneously and approvals being made on a pro rata basis if such  
375 applications exceed the amount of remaining credits.

376 (5) The commissioner shall issue an allocation of credits subject to  
377 confirmation on a form prescribed by the commissioner by the fund  
378 that an investment of eligible capital was received within five business  
379 days. If an insurance reinvestment fund does not receive an investment  
380 of eligible capital equaling the amount of credits against the tax  
381 imposed under chapter 207 and section 38a-743 allocated to a taxpayer,  
382 for which it filed an affidavit with its application prior to the fifth  
383 business day after receipt of certification, the insurance reinvestment  
384 fund shall notify the commissioner by overnight common carrier  
385 delivery service and that portion of eligible capital allocated to the  
386 insurance company shall be forfeited. Such insurance reinvestment  
387 fund and forfeiting taxpayer shall each be assessed a twenty-five-  
388 thousand-dollar administrative penalty. The commissioner shall  
389 reallocate the forfeited eligible capital among all other remaining  
390 taxpayers that invested eligible capital.

391 (6) To continue to be certified, an insurance reinvestment fund shall  
392 (A) be in compliance with the investment parameters set forth in its  
393 business plan, provided an insurance reinvestment fund may apply to  
394 the commissioner to amend its business plan based on unavoidable or  
395 reasonably unanticipated changes to various conditions, including, but  
396 not limited to, the general economic climate of the state or particular  
397 sectors of the economy, technological advances and high employment  
398 and revenue growth opportunities, with approval for such changes not  
399 to be unreasonably withheld by the commissioner; (B) be in

400 compliance with the revenue impact assessment provided in the  
401 application demonstrating that the fund's business plan continues to  
402 have a revenue neutral or positive impact on the state; (C) have  
403 invested sixty per cent of its eligible capital in eligible businesses by  
404 the fourth anniversary of its allocation date; and (D) have invested one  
405 hundred per cent of its eligible capital in eligible businesses by the  
406 tenth anniversary of its allocation date, with a minimum of twenty-five  
407 per cent of eligible capital invested in green technology businesses. An  
408 insurance reinvestment fund shall only invest eligible capital in  
409 eligible businesses, bank deposits, certificates of deposit or other fixed  
410 income securities and may not invest more than fifteen per cent of its  
411 eligible capital in any one eligible business without prior approval of  
412 the commissioner.

413 (7) Not later than January thirty-first annually, each insurance  
414 reinvestment fund shall report to the commissioner: (A) The amount of  
415 eligible capital remaining at the end of the preceding year; (B) each  
416 investment in an eligible business during the preceding year and, with  
417 respect to each eligible business, its location and North American  
418 Industrial Classification System code; (C) the percentage of eligible  
419 capital invested in green technology businesses; and (D) distributions  
420 made by the insurance reinvestment fund in the preceding year. In the  
421 annual report due in the third, fifth, seventh and ninth years after its  
422 allocation date, each insurance reinvestment fund shall also report to  
423 the commissioner its compliance with the investment parameters set  
424 forth in its business plan and the revenue impact assessment provided  
425 in the application demonstrating that the fund's business plan  
426 continues to have a revenue neutral or positive impact on the state.  
427 Each insurance reinvestment fund shall provide to the commissioner  
428 annual audited financial statements.

429 (8) To make a distribution or payment, an insurance reinvestment  
430 fund must have invested one hundred per cent of its eligible capital in  
431 eligible businesses, with a minimum of twenty-five per cent of eligible  
432 capital invested in green technology businesses, with principal

433 business operations in this state at the time of such determination,  
434 except: (A) Distributions related to the payment of any projected  
435 increase in federal or state taxes, including penalties and interest  
436 related to state and federal income taxes, of the equity owners of the  
437 insurance reinvestment fund resulting from the earnings or other tax  
438 liability of the insurance reinvestment fund to the extent that the  
439 increase is related to the ownership, management or operation of the  
440 insurance reinvestment fund; (B) payments of interest and principal on  
441 the debt of the insurance reinvestment fund, provided after such  
442 payment, the insurance reinvestment fund still has cash and other  
443 marketable securities in an amount that, when added to the  
444 cumulative investments it has made in eligible recipients, equals not  
445 less than sixty per cent of the eligible capital invested in such  
446 reinvestment fund; or (C) payments related to the reasonable costs and  
447 expenses of forming, syndicating, managing and operating the fund,  
448 provided the distribution or payment is not made directly or indirectly  
449 to an insurance company that has invested eligible capital in the  
450 insurance reinvestment fund, including: (i) Reasonable and necessary  
451 fees paid for professional services, including legal and accounting  
452 services, related to the formation and operation of the insurance  
453 reinvestment fund; and (ii) an annual management fee in an amount  
454 that does not exceed two and one-half per cent of the eligible capital of  
455 the insurance reinvestment fund. The state shall receive a share of any  
456 distribution, except as set forth in subparagraphs (A), (B) and (C) of  
457 this subsection and distributions made to return any equity capital  
458 invested in the insurance reinvestment fund that is not eligible capital,  
459 in the following percentages: (I) Ten per cent when less than eighty per  
460 cent but more than sixty per cent of the jobs set forth in the insurance  
461 reinvestment fund's business plan are created or retained, and (II)  
462 twenty per cent when sixty per cent or less of the jobs set forth in the  
463 insurance reinvestment fund's business plan are created or retained.

464 (9) The commissioner shall review each annual report to ensure  
465 compliance with subdivisions (6), (7) and (8) of this subsection. A  
466 material variation of subdivision (6), (7) or (8) of this subsection is

467 grounds for decertification of the insurance reinvestment fund. If the  
468 commissioner determines that an insurance reinvestment fund is not in  
469 compliance with subdivision (6), (7) or (8) of this subsection or the  
470 investment parameters of its business plan, the commissioner shall  
471 notify the officers of the insurance reinvestment fund, in writing, that  
472 the insurance reinvestment fund may be subject to decertification after  
473 the one hundred twentieth day after the date of mailing the notice,  
474 unless the deficiencies are waived by the commissioner or are  
475 corrected and the insurance reinvestment fund returns to compliance  
476 with subdivisions (6), (7) and (8) of this subsection.

477 (10) Decertification of an insurance reinvestment fund shall cause  
478 the forfeiture of future credits against the tax imposed by chapter 207  
479 and section 38a-743 to be claimed with respect to an insurance  
480 reinvestment fund when (A) such decertification occurs on or before  
481 the fourth anniversary of the fund's allocation date, and (B) such fund  
482 has invested less than sixty per cent of its eligible capital in eligible  
483 businesses by said anniversary. The commissioner shall send written  
484 notice to the last-known address of each taxpayer whose credit against  
485 the tax imposed by chapter 207 is subject to recapture or forfeiture.

486 (d) The tax credit allowed by this section shall only be available for  
487 investments (1) in funds that are not open to additional investments or  
488 investors beyond the amount subscribed at the formation of the fund,  
489 or (2) under subsection (c) of this section, in insurance reinvestment  
490 funds that are not open to additional investments or investors after  
491 submission of the insurance reinvestments fund's application to the  
492 commissioner pursuant to subsection (c) of this section. On and after  
493 June 30, 2010, no eligibility certificate shall be provided under  
494 subdivision (6) of subsection (b) of this section for investments made in  
495 an insurance business. On or after July 1, 2011, no credit shall be  
496 allowed under subdivision (2) or (6) of subsection (b) of this section for  
497 an investment of less than one million dollars for which the  
498 commissioner has issued an eligibility certificate. A fund manager who  
499 has received an eligibility certificate but is not yet eligible to receive a



500 certificate of continued eligibility shall provide documentation  
501 satisfactory to the commissioner not later than June 30, 2011, of its  
502 investment of one million dollars or more. Such documentation shall  
503 include, but is not limited to, cancelled checks, wire transfers,  
504 investment agreements or other documentation as the commissioner  
505 may request. On and after July 1, 2011, the commissioner shall revoke  
506 the certificate of eligibility for any insurance business for which its  
507 fund manager failed to provide sufficient documentation of said  
508 investment of not less than one million dollars. Any credit allowed  
509 under subsection (b) or subsection (g) of this section that has not been  
510 claimed prior to January 1, 2010, may be carried forward pursuant to  
511 subsection (i) of this section.

512 (e) The maximum amount of credit allowed under subsection (c) of  
513 this section shall be two hundred million dollars in aggregate and forty  
514 million dollars per year.

515 (f) (1) The Commissioner of Revenue Services may treat one or more  
516 corporations that are properly included in a combined corporation  
517 business tax return under section 12-223 as one taxpayer in  
518 determining whether the appropriate requirements under this section  
519 are met. Where corporations are treated as one taxpayer for purposes  
520 of this subsection, then the credit shall be allowed only against the  
521 amount of the combined tax for all corporations properly included in a  
522 combined return that, under the provisions of subdivision (2) of this  
523 subsection, is attributable to the corporations treated as one taxpayer.  
524 (2) The amount of the combined tax for all corporations properly  
525 included in a combined corporation business tax return that is  
526 attributable to the corporations that are treated as one taxpayer under  
527 the provisions of this subsection shall be in the same ratio to such  
528 combined tax that the net income apportioned to this state of each  
529 corporation treated as one taxpayer bears to the net income  
530 apportioned to this state, in the aggregate, of all corporations included  
531 in such combined return. Solely for the purpose of computing such  
532 ratio, any net loss apportioned to this state by a corporation treated as

533 one taxpayer or by a corporation included in such combined return  
534 shall be disregarded.

535 (g) Any taxpayer allowed a credit under subsection (b) of this  
536 section may assign such credit to another person, provided such  
537 person may claim such credit only with respect to a calendar year for  
538 which the assigning taxpayer would have been eligible to claim such  
539 credit. The fund manager shall include in the report filed with the  
540 Commissioner of Revenue Services in accordance with subdivision (1)  
541 of subsection (b) of this section information requested by the  
542 commissioner regarding such assignments including the current  
543 holders of credits as of the end of the preceding calendar year.

544 (h) No taxpayer shall be eligible for a credit under this section and  
545 either section 12-217e or section 12-217m for the same investment. No  
546 two taxpayers shall be eligible for any tax credit with respect to the  
547 same investment, employee or facility.

548 (i) Any tax credit not used in the income year for which it was  
549 allowed may be carried forward for the five immediately succeeding  
550 income years until the full credit has been allowed.

551 (j) The commissioner, with the approval of the Commissioner of  
552 Revenue Services and the Secretary of the Office of Policy and  
553 Management, [may] shall adopt regulations in accordance with  
554 chapter 54 to carry out the purposes of this section. Such regulations  
555 shall include, but not be limited to, provisions to facilitate the transfer  
556 of credits earned pursuant to subsection (c) of this section by an  
557 insurance company to an affiliate of such company.

558 Sec. 4. Section 12-704d of the general statutes is repealed and the  
559 following is substituted in lieu thereof (*Effective July 1, 2011, and*  
560 *applicable to income years commencing on or after January 1, 2011*):

561 (a) As used in this section:

562 (1) "Angel investor" means an accredited investor, as defined by the

563 Securities and Exchange Commission, or network of accredited  
564 investors who review new or proposed businesses for potential  
565 investment who may seek active involvement, such as consulting and  
566 mentoring, in a Connecticut business, but "angel investor" does not  
567 include (A) a person controlling fifty per cent or more of the  
568 Connecticut business invested in by the angel investor, (B) a venture  
569 capital company, or (C) any bank, bank and trust company, insurance  
570 company, trust company, national bank, savings association or  
571 building and loan association for activities that are a part of its normal  
572 course of business;

573 (2) "Cash investment" means the contribution of cash, at a risk of  
574 loss, to a qualified Connecticut business in exchange for qualified  
575 securities;

576 (3) "Connecticut business" means any business with its principal  
577 place of business in Connecticut that is engaged in bioscience,  
578 advanced materials, photonics, information technology, clean  
579 technology or any other emerging technology as determined by the  
580 Commissioner of Economic and Community Development;

581 (4) "Bioscience" means manufacturing pharmaceuticals, medicines,  
582 medical equipment or medical devices and analytical laboratory  
583 instruments, operating medical or diagnostic testing laboratories, or  
584 conducting pure research and development in life sciences;

585 (5) "Advanced materials" means developing, formulating or  
586 manufacturing advanced alloys, coatings, lubricants, refrigerants,  
587 surfactants, emulsifiers or substrates;

588 (6) "Photonics" means generation, emission, transmission,  
589 modulation, signal processing, switching, amplification, detection and  
590 sensing of light from ultraviolet to infrared and the manufacture,  
591 research or development of opto-electronic devices, including, but not  
592 limited to, lasers, masers, fiber optic devices, quantum devices,  
593 holographic devices and related technologies;

594 (7) "Information technology" means software publishing, motion  
595 picture and video production, teleproduction and postproduction  
596 services, telecommunications, data processing, hosting and related  
597 services, custom computer programming services, computer system  
598 design, computer facilities management services, other computer  
599 related services and computer training;

600 (8) "Clean technology" means the production, manufacture, design,  
601 research or development of clean energy, green buildings, smart grid,  
602 high-efficiency transportation vehicles and alternative fuels,  
603 environmental products, environmental remediation and pollution  
604 prevention; and

605 (9) "Qualified securities" means any form of equity, including a  
606 general or limited partnership interest, common stock, preferred stock,  
607 with or without voting rights, without regard to seniority position that  
608 must be convertible into common stock.

609 (b) There shall be allowed a credit against the tax imposed under  
610 this chapter, other than the liability imposed by section 12-707, for a  
611 cash investment of not less than [one hundred] twenty-five thousand  
612 dollars in the qualified securities of a Connecticut business by an angel  
613 investor. The credit shall be in an amount equal to twenty-five per cent  
614 of such investor's cash investment, provided the total tax credits  
615 allowed to any angel investor shall not exceed two hundred fifty  
616 thousand dollars. The credit shall be claimed in the taxable year in  
617 which such cash investment is made by the angel investor and shall  
618 not be transferable.

619 (c) To qualify for a tax credit pursuant to this section, a cash  
620 investment shall be in a Connecticut business that (1) has been  
621 approved as a qualified Connecticut business pursuant to subsection  
622 (d) of this section; (2) had annual gross revenues of less than one  
623 million dollars in the most recent income year of such business; (3) has  
624 fewer than twenty-five employees, not less than seventy-five per cent  
625 of whom reside in this state; (4) has been operating in this state for less

626 than seven consecutive years; (5) is primarily owned by the  
627 management of the business and their families; and (6) received less  
628 than two million dollars in cash investments eligible for the tax credits  
629 provided by this section.

630 (d) (1) A Connecticut business may apply to Connecticut  
631 Innovations, Incorporated, for approval as a Connecticut business  
632 qualified to receive cash investments eligible for a tax credit pursuant  
633 to this section. The application shall include (A) the name of the  
634 business and a copy of the organizational documents of such business,  
635 (B) a business plan, including a description of the business and the  
636 management, product, market and financial plan of the business, (C) a  
637 description of the business's innovative [and proprietary] technology,  
638 product or service, (D) a statement of the potential economic impact of  
639 the business, including the number, location and types of jobs expected  
640 to be created, (E) a description of the qualified securities to be issued  
641 and the amount of cash investment sought by the qualified  
642 Connecticut business, (F) a statement of the amount, timing and  
643 projected use of the proceeds to be raised from the proposed sale of  
644 qualified securities, and (G) such other information as the executive  
645 director of Connecticut Innovations, Incorporated, may require.

646 (2) Said executive director shall, on or before August 1, 2010, and  
647 monthly thereafter, compile a list of approved applications,  
648 categorized by the cash investments being sought by the qualified  
649 Connecticut business and type of qualified securities offered.

650 (e) (1) Any angel investor that intends to make a cash investment in  
651 a business on such list may apply to Connecticut Innovations,  
652 Incorporated, to reserve a tax credit in the amount indicated by such  
653 investor. The aggregate amount of all tax credits under this section that  
654 may be reserved by Connecticut Innovations, Incorporated, shall not  
655 exceed six million dollars annually for the fiscal years commencing  
656 July 1, 2010, to July 1, 2012, inclusive, and shall not exceed three  
657 million dollars in each fiscal year thereafter. Connecticut Innovations,

658 Incorporated, shall not reserve tax credits under this section for any  
659 investment made on or after July 1, 2014.

660 (2) The amount of the credit allowed to any investor pursuant to this  
661 section shall not exceed the amount of tax due from such investor  
662 under this chapter, other than section 12-707, with respect to such  
663 taxable year. Any tax credit that is claimed by the angel investor but  
664 not applied against the tax due under this chapter, other than the  
665 liability imposed under section 12-707, may be carried forward for the  
666 five immediately succeeding taxable years until the full credit has been  
667 applied.

668 (f) If the angel investor is an S corporation or an entity treated as a  
669 partnership for federal income tax purposes, the tax credit may be  
670 claimed by the shareholders or partners of the angel investor. If the  
671 angel investor is a single member limited liability company that is  
672 disregarded as an entity separate from its owner, the tax credit may be  
673 claimed by such limited liability company's owner, provided such  
674 owner is a person subject to the tax imposed under this chapter.

675 (g) A review of the effectiveness of the credit under this section shall  
676 be conducted by Connecticut Innovations, Incorporated, by July 1,  
677 2014. Such review shall be submitted to the joint standing committee of  
678 the General Assembly having cognizance of matters relating to  
679 commerce.

680 Sec. 5. (NEW) (*Effective July 1, 2011*) On or before January 1, 2015,  
681 the Commissioner of Transportation shall convert not less than  
682 twenty-five per cent of the state's heavy fleet, including, but not  
683 limited to, any tri-axle and diesel powered vehicles, to liquefied  
684 natural gas and compressed gas fuel.

685 Sec. 6. Subdivisions (67) to (69), inclusive, of section 12-412 of the  
686 general statutes are repealed and the following is substituted in lieu  
687 thereof (*Effective July 1, 2011*):

688 (67) Sales of and the storage, use or other consumption, on or after  
689 July 1, 2011, and prior to July 1, [2008] 2013, of a new motor vehicle  
690 which is exclusively powered by a clean alternative fuel. As used in  
691 this subdivision and subdivisions (68) and (69) of this section, "clean  
692 alternative fuel" shall mean natural gas, hydrogen or electricity when  
693 used as a motor vehicle fuel or propane when used as a motor vehicle  
694 fuel if such a vehicle meets the federal fleet emissions standards under  
695 the federal Clean Air Act or any emissions standards adopted by the  
696 Commissioner of Environmental Protection as part of the state's  
697 implementation plan under said act.

698 (68) Sales of and the storage, use or other consumption, on or after  
699 July 1, 2011, and prior to July 1, [2008] 2013, of conversion equipment  
700 incorporated into or used in converting vehicles powered by any other  
701 fuel to either exclusive use of a clean alternative fuel or dual use of any  
702 other fuel and a clean alternative fuel, including, but not limited to,  
703 storage cylinders, cylinder brackets, regulated mixers, fill valves,  
704 pressure regulators, solenoid valves, fuel gauges, electronic ignitions  
705 and alternative fuel delivery lines.

706 (69) Sales of and the storage, use or other consumption, on or after  
707 July 1, 2011, and prior to July 1, [2008] 2013, of equipment incorporated  
708 into or used in a compressed natural gas or hydrogen filling or electric  
709 recharging station for vehicles powered by a clean alternative fuel,  
710 including, but not limited to, compressors, storage cylinders,  
711 associated framing, tubing and fittings, valves, fuel poles and fuel  
712 delivery lines used for clean alternative fuel storage and filling  
713 facilities.

714 Sec. 7. Subdivision (115) of section 12-412 of the general statutes is  
715 repealed and the following is substituted in lieu thereof (*Effective July*  
716 *1, 2011*):

717 (115) On and after October 1, [2004] 2011, and prior to October 1,  
718 [2008] 2013, the sale of any hybrid passenger car that has a United  
719 States Environmental Protection Agency estimated highway gasoline

720 mileage rating of at least forty miles per gallon. For purposes of this  
721 subdivision, "hybrid passenger car" means a passenger car that draws  
722 acceleration energy from two onboard sources of stored energy, which  
723 are both an internal combustion, fuel cell or heat engine using  
724 combustible fuel and a rechargeable energy storage system and, for a  
725 passenger car or light truck with a model year of 2004 or later, is  
726 certified to meet or exceed the tier II bin 5 low emission vehicle  
727 classification.

728       Sec. 8. (NEW) (*Effective July 1, 2011*) Any hybrid or electric vehicle  
729 may be driven in any state highway limited access lane designated for  
730 use by high occupancy vehicles regardless of the number of occupants  
731 of such hybrid or electric vehicle.

732       Sec. 9. (NEW) (*Effective from passage*) The Connecticut Center for  
733 Advanced Technology, Incorporated shall coordinate and provide  
734 funding for the development and administration of the Connecticut  
735 Small Business Innovation Research Office to act as a centralized  
736 clearinghouse and provide technical assistance to applicants in  
737 developing small business innovation research programs in  
738 conformity with the federal program established pursuant to the Small  
739 Business Research and Development Enhancement Act of 1992, P.L.  
740 102-564, as amended, and other proposals.

741       Sec. 10. Section 32-35 of the general statutes is repealed and the  
742 following is substituted in lieu thereof (*Effective from passage*):

743       (a) There is hereby created a body politic and corporate to be known  
744 as "Connecticut Innovations, Incorporated". Such corporation is  
745 constituted a public instrumentality and political subdivision of the  
746 state and the exercise by the corporation of the powers conferred in  
747 this chapter shall be deemed and held to be the performance of an  
748 essential public and governmental function. Connecticut Innovations,  
749 Incorporated shall not be construed to be a department, institution or  
750 agency of the state.



751 (b) The corporation shall be governed by a board of fifteen directors.  
752 Eight members shall be appointed by the Governor, at least six of  
753 whom shall be knowledgeable, and have favorable reputations for  
754 skill, knowledge and experience, in the development of innovative  
755 technology and technological processes including, but not limited to,  
756 expertise in academic research, technology transfer and application,  
757 the development of technological invention and new enterprise  
758 development. Three members shall be the Commissioner of Economic  
759 and Community Development, the Commissioner of Higher Education  
760 and the Secretary of the Office of Policy and Management, who shall  
761 serve ex officio and shall have all of the powers and privileges of a  
762 member of the board of directors. Each ex-officio member may  
763 designate his deputy or any member of his staff to represent him at  
764 meetings of the corporation with full power to act and vote in his  
765 behalf. Four members shall be appointed as follows: One by the  
766 president pro tempore of the Senate, one by the minority leader of the  
767 Senate, one by the speaker of the House of Representatives and one by  
768 the minority leader of the House of Representatives. Each member  
769 appointed by the Governor shall serve at the pleasure of the Governor  
770 but no longer than the term of office of the Governor or until the  
771 member's successor is appointed and qualified, whichever is longer.  
772 Each member appointed by a member of the General Assembly shall  
773 serve in accordance with the provisions of section 4-1a. A director shall  
774 be eligible for reappointment. The Governor shall fill any vacancy for  
775 the unexpired term of a member appointed by the Governor. The  
776 appropriate legislative appointing authority shall fill any vacancy for  
777 the unexpired term of a member appointed by such authority.

778 (c) The chairperson of the board shall be appointed by the  
779 Governor, with the advice and consent of both houses of the General  
780 Assembly. The directors shall annually elect one of their number as  
781 secretary. The board may elect such other officers of the board as it  
782 deems proper. Members shall receive no compensation for the  
783 performance of their duties hereunder but shall be reimbursed for  
784 necessary expenses incurred in the performance thereof.

785 (d) Each director of the corporation before entering upon his duties  
786 shall take and subscribe the oath or affirmation required by article  
787 eleventh, section 1, of the Constitution. A record of each such oath or  
788 affirmation shall be filed in the office of the Secretary of the State. The  
789 board of directors of the corporation shall adopt written procedures, in  
790 accordance with the provisions of section 1-121, for: (1) Adopting an  
791 annual budget and plan of operations, including a requirement of  
792 board approval before the budget or plan may take effect; (2) hiring,  
793 dismissing, promoting and compensating employees of the  
794 corporation including an affirmative action policy and a requirement  
795 of board approval before a position may be created or a vacancy filled;  
796 (3) purchasing, leasing or acquiring real and personal property and  
797 personal services, including a requirement of board approval for any  
798 nonbudgeted expenditure in excess of five thousand dollars; (4)  
799 contracting for financial, legal, bond underwriting and other  
800 professional services, including a requirement that the corporation  
801 solicit proposals at least once every three years for each such service  
802 which it uses; (5) awarding loans, grants and other financial assistance,  
803 including eligibility criteria, the application process and the role  
804 played by the corporation's staff and board of directors and the  
805 Department of Economic and Community Development and including  
806 deadlines for the approval or disapproval of applications for such  
807 assistance by the corporation on and after July 1, 1996; and (6) the use  
808 of surplus funds to the extent authorized under this chapter, or other  
809 provisions of the general statutes.

810 (e) Notwithstanding the provisions of any other law, [to the  
811 contrary,] it shall not constitute a conflict of interest for a trustee,  
812 director, partner or officer of any person, firm or corporation, or any  
813 individual having a financial interest in a person, firm or corporation,  
814 to serve as a member of the board of directors of Connecticut  
815 Innovations, Incorporated, provided such trustee, director, partner,  
816 officer or individual shall abstain from deliberation, action or vote by  
817 Connecticut Innovations, Incorporated in specific respect to such  
818 person, firm or corporation.

819 (f) The corporation shall have the authority to contract with the  
820 Department of Economic and Community Development for  
821 administrative or other services.

822 (g) As of October 1, 1989, all powers, duties and personnel of the  
823 Connecticut Product Development Corporation shall be transferred to  
824 Connecticut Innovations, Incorporated, in accordance with the  
825 provisions of section 4-38d. As of October 1, 1989, all cash, notes,  
826 receivables, liabilities, appropriations, authorizations, allocations, and  
827 all other assets and properties of the Connecticut Product  
828 Development Corporation shall be transferred to Connecticut  
829 Innovations, Incorporated. Such transfer shall not affect the validity,  
830 enforceability or binding nature of any contract or agreement for  
831 financial aid made by the Connecticut Product Development  
832 Corporation under the authorization of this chapter prior to October 1,  
833 1989.

834 [(h) The corporation shall provide funding for the operation of the  
835 Connecticut Small Business Innovation Research Office in accordance  
836 with subdivision (41) of section 32-39.]

837 Sec. 11. Section 32-39 of the general statutes is repealed and the  
838 following is substituted in lieu thereof (*Effective from passage*):

839 The purposes of the corporation shall be to stimulate and encourage  
840 the research and development of new technologies, businesses and  
841 products, to encourage the creation and transfer of new technologies,  
842 to assist existing businesses in adopting current and innovative  
843 technological processes, to stimulate and provide services to industry  
844 that will advance the adoption and utilization of technology, to  
845 achieve improvements in the quality of products and services, to  
846 stimulate and encourage the development and operation of new and  
847 existing science parks and incubator facilities, and to promote science,  
848 engineering, mathematics and other disciplines that are essential to the  
849 development and application of technology within Connecticut by the  
850 infusion of financial aid for research, invention and innovation in

851 situations in which such financial aid would not otherwise be  
852 reasonably available from commercial or other sources, and for these  
853 purposes the corporation shall have the following powers:

854 (1) To have perpetual succession as a body corporate and to adopt  
855 bylaws, policies and procedures for the regulation of its affairs and  
856 conduct of its businesses as provided in section 32-36;

857 (2) To enter into venture agreements with persons, upon such terms  
858 and on such conditions as are consistent with the purposes of this  
859 chapter, for the advancement of financial aid to such persons for the  
860 research, development and application of specific technologies,  
861 products, procedures, services and techniques, to be developed and  
862 produced in this state, and to condition such agreements upon  
863 contractual assurances that the benefits of increasing or maintaining  
864 employment and tax revenues shall remain in this state and shall  
865 accrue to it;

866 (3) To solicit, receive and accept aid, grants or contributions from  
867 any source of money, property or labor or other things of value, to be  
868 held, used and applied to carry out the purposes of this chapter,  
869 subject to the conditions upon which such grants and contributions  
870 may be made, including but not limited to, gifts or grants from any  
871 department or agency of the United States or the state;

872 (4) To invest in, acquire, lease, purchase, own, manage, hold and  
873 dispose of real property and lease, convey or deal in or enter into  
874 agreements with respect to such property on any terms necessary or  
875 incidental to the carrying out of these purposes; provided, however,  
876 that all such acquisitions of real property for the corporation's own use  
877 with amounts appropriated by the state to the corporation or with the  
878 proceeds of bonds supported by the full faith and credit of the state  
879 shall be subject to the approval of the Secretary of the Office of Policy  
880 and Management and the provisions of section 4b-23;

881 (5) To borrow money or to guarantee a return to the investors in or

882 lenders to any capital initiative, to the extent permitted under this  
883 chapter;

884 (6) To hold patents, copyrights, trademarks, marketing rights,  
885 licenses, or any other evidences of protection or exclusivity as to any  
886 products as defined herein, issued under the laws of the United States  
887 or any state or any nation;

888 (7) To employ such assistants, agents and other employees as may  
889 be necessary or desirable, which employees shall be exempt from the  
890 classified service and shall not be employees, as defined in subsection  
891 (b) of section 5-270; establish all necessary or appropriate personnel  
892 practices and policies, including those relating to hiring, promotion,  
893 compensation, retirement and collective bargaining, which need not be  
894 in accordance with chapter 68, and the corporation shall not be an  
895 employer as defined in subsection (a) of section 5-270; and engage  
896 consultants, attorneys and appraisers as may be necessary or desirable  
897 to carry out its purposes in accordance with this chapter;

898 (8) To make and enter into all contracts and agreements necessary or  
899 incidental to the performance of its duties and the execution of its  
900 powers under this chapter;

901 (9) To sue and be sued, plead and be impleaded, adopt a seal and  
902 alter the same at pleasure;

903 (10) With the approval of the State Treasurer, to invest any funds  
904 not needed for immediate use or disbursement, including any funds  
905 held in reserve, in obligations issued or guaranteed by the United  
906 States of America or the state of Connecticut and in other obligations  
907 which are legal investments for retirement funds in this state;

908 (11) To procure insurance against any loss in connection with its  
909 property and other assets in such amounts and from such insurers as it  
910 deems desirable;

911 (12) To the extent permitted under its contract with other persons, to

912 consent to any termination, modification, forgiveness or other change  
913 of any term of any contractual right, payment, royalty, contract or  
914 agreement of any kind to which the corporation is a party;

915 (13) To do anything necessary and convenient to render the bonds  
916 to be issued under section 32-41 more marketable;

917 (14) To acquire, lease, purchase, own, manage, hold and dispose of  
918 personal property, and lease, convey or deal in or enter into  
919 agreements with respect to such property on any terms necessary or  
920 incidental to the carrying out of these purposes;

921 (15) In connection with any application for assistance under this  
922 chapter, or commitments therefor, to make and collect such fees as the  
923 corporation shall determine to be reasonable;

924 (16) To enter into venture agreements with persons, upon such  
925 terms and conditions as are consistent with the purposes of this  
926 chapter to provide financial aid to such persons for the marketing of  
927 new and innovative services based on the use of a specific technology,  
928 product, device, technique, service or process;

929 (17) To enter into limited partnerships or other contractual  
930 arrangements with private and public sector entities as the corporation  
931 deems necessary to provide financial aid which shall be used to make  
932 investments of seed venture capital in companies based in or  
933 relocating to the state in a manner which shall foster additional capital  
934 investment, the establishment of new businesses, the creation of new  
935 jobs and additional commercially-oriented research and development  
936 activity. The repayment of such financial aid shall be structured in  
937 such manner as the corporation deems will best encourage private  
938 sector participation in such limited partnerships or other  
939 arrangements. The board of directors, executive director, officers and  
940 staff of the corporation may serve as members of any advisory or other  
941 board which may be established to carry out the purposes of this  
942 subdivision;

943       (18) To account for and audit funds of the corporation and funds of  
944       any recipients of financial aid from the corporation;

945       (19) To advise the Governor, the General Assembly, the  
946       Commissioner of Economic and Community Development and the  
947       Commissioner of Higher Education on matters relating to science,  
948       engineering and technology which may have an impact on state  
949       policies, programs, employers and residents, and on job creation and  
950       retention;

951       (20) To promote technology-based development in the state;

952       (21) To encourage and promote the establishment of and, within  
953       available resources, to provide financial aid to advanced technology  
954       centers;

955       (22) To maintain an inventory of data and information concerning  
956       state and federal programs which are related to the purposes of this  
957       chapter and to serve as a clearinghouse and referral service for such  
958       data and information;

959       (23) To conduct and encourage research and studies relating to  
960       technological development;

961       (24) To provide technical or other assistance and, within available  
962       resources, to provide financial aid to the Connecticut Academy of  
963       Science and Engineering, Incorporated, in order to further the  
964       purposes of this chapter;

965       (25) To recommend a science and technology agenda for the state  
966       that will promote the formation of public and private partnerships for  
967       the purpose of stimulating research, new business formation and  
968       growth and job creation;

969       (26) To encourage and provide technical assistance and, within  
970       available resources, to provide financial aid to existing manufacturers  
971       and other businesses in the process of adopting innovative technology

972 and new state-of-the-art processes and techniques;

973 (27) To recommend state goals for technological development and  
974 to establish policies and strategies for developing and assisting  
975 technology-based companies and for attracting such companies to the  
976 state;

977 (28) To promote and encourage and, within available resources, to  
978 provide financial aid for the establishment, maintenance and operation  
979 of incubator facilities;

980 (29) To promote and encourage the coordination of public and  
981 private resources and activities within the state in order to assist  
982 technology-based entrepreneurs and business enterprises;

983 (30) To provide services to industry that will stimulate and advance  
984 the adoption and utilization of technology and achieve improvements  
985 in the quality of products and services;

986 (31) To promote science, engineering, mathematics and other  
987 disciplines that are essential to the development and application of  
988 technology;

989 (32) To coordinate its efforts with existing business outreach centers,  
990 as described in section 32-9qq;

991 (33) To do all acts and things necessary and convenient to carry out  
992 the purposes of this chapter;

993 (34) To accept from the department: (A) Financial assistance, (B)  
994 revenues or the right to receive revenues with respect to any program  
995 under the supervision of the department, and (C) loan assets or equity  
996 interests in connection with any program under the supervision of the  
997 department; to make advances to and reimburse the department for  
998 any expenses incurred or to be incurred by it in the delivery of such  
999 assistance, revenues, rights, assets, or interests; to enter into  
1000 agreements for the delivery of services by the corporation, in



1001 consultation with the department, the Connecticut Housing Finance  
1002 Authority and the Connecticut Development Authority, to third  
1003 parties which agreements may include provisions for payment by the  
1004 department to the corporation for the delivery of such services; and to  
1005 enter into agreements with the department or with the Connecticut  
1006 Development Authority or Connecticut Housing Finance Authority for  
1007 the sharing of assistants, agents and other consultants, professionals  
1008 and employees, and facilities and other real and personal property  
1009 used in the conduct of the corporation's affairs;

1010 (35) To transfer to the department: (A) Financial assistance, (B)  
1011 revenues or the right to receive revenues with respect to any program  
1012 under the supervision of the corporation, and (C) loan assets or equity  
1013 interests in connection with any program under the supervision of the  
1014 corporation, provided the transfer of such financial assistance,  
1015 revenues, rights, assets or interests is determined by the corporation to  
1016 be practicable, within the constraints and not inconsistent with the  
1017 fiduciary obligations of the corporation imposed upon or established  
1018 upon the corporation by any provision of the general statutes, the  
1019 corporation's bond resolutions or any other agreement or contract of  
1020 the corporation and to have no adverse effect on the tax-exempt status  
1021 of any bonds of the state;

1022 (36) With respect to any capital initiative, to create, with one or more  
1023 persons, one or more affiliates and to provide, directly or indirectly, for  
1024 the contribution of capital to any such affiliate, each such affiliate being  
1025 expressly authorized to exercise on such affiliate's own behalf all  
1026 powers which the corporation may exercise under this section, in  
1027 addition to such other powers provided to it by law;

1028 (37) To provide financial aid to enable biotechnology and other  
1029 technology companies to lease, acquire, construct, maintain, repair,  
1030 replace or otherwise obtain and maintain production, testing, research,  
1031 development, manufacturing, laboratory and related and other  
1032 facilities, improvements and equipment;

1033 (38) To provide financial aid to persons developing smart buildings,  
1034 as defined in section 32-23d, incubator facilities or other information  
1035 technology intensive office and laboratory space;

1036 (39) To administer the Renewable Energy Investment Fund  
1037 established pursuant to section 16-245n; and

1038 (40) To provide financial aid to persons developing or constructing  
1039 the basic buildings, facilities or installations needed for the functioning  
1040 of the media and motion picture industry in this state;

1041 [(41) To coordinate the development and implementation of  
1042 strategies regarding technology-based talent and innovation among  
1043 state and quasi-public agencies, including the creation and  
1044 administration of the Connecticut Small Business Innovation  
1045 Research Office to act as a centralized clearinghouse and provide  
1046 technical assistance to applicants in developing small business  
1047 innovation research programs in conformity with the federal  
1048 program established pursuant to the Small Business Research and  
1049 Development Enhancement Act of 1992, P.L. 102-564, as amended,  
1050 and other proposals.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10a-19i(a)
Sec. 2	<i>from passage</i>	32-41x
Sec. 3	<i>from passage</i>	38a-88a
Sec. 4	<i>July 1, 2011, and applicable to income years commencing on or after January 1, 2011</i>	12-704d
Sec. 5	<i>July 1, 2011</i>	New section
Sec. 6	<i>July 1, 2011</i>	12-412(67) to (69)
Sec. 7	<i>July 1, 2011</i>	12-412(115)
Sec. 8	<i>July 1, 2011</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	32-35

Sec. 11	<i>from passage</i>	32-39
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**Statement of Purpose:**

To implement recommendations of the Majority Leaders' Job Growth Roundtable.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*